Summary of the State Fiscal Year 2018-2019 Executive Budget

On January 16, 2018, Governor Cuomo released his $168.2 billion Executive Budget for State Fiscal Year 2018-2019. The Governor focused his remarks on efforts to address the State’s budget $4.4 billion deficit, additional federal cuts, as well as the threats to New York’s economy from the new federal tax bill.

The Executive Budget includes a number of proposals CCC supports such as an additional $15 million for prekindergarten, $10 million for after-school programs, $50 million for community schools, $7 million to restore previously cut funding for child care, $4 million to address the minimum wage increase for the Summer Youth Employment Program, and $100 million to implement a continuum of services associated with raising the age of criminal responsibility. We also support the budget’s inclusion of the First 1,000 Days initiative, which is designed to better address the needs of young children, and we strongly support numerous legislative proposals including the Child Victims Act, the Dream Act, and bail and discovery reform, as well as statutory language to reauthorize Close to Home.

On the other hand, the Executive Budget proposes a number of cuts that CCC is concerned about, including a number targeted at New York City. These include a cap on New York City’s reimbursement for services that prevent child abuse and neglect at a time when the City has been successfully implementing a strong continuum of evidence based services and on the heels of a $64 million state cut to foster care this year. Furthermore, the Executive Budget proposes to eliminate all $41.4 million of state support for the Close to Home juvenile justice initiative, which is not only critical for justice involved youth but essential for the city’s implementation of Raise the Age.

A detailed list of proposals that impact children and families (based on CCC’s initial review) is provided below:
CHILD WELFARE

Positive Proposal:

- Propose the Child Victims Act in the Article VII bills, which would eliminate the statute of limitations for felony child abuse offenses and increase the timeframe to 50 years for civil cases, and provide a one year period for those previously barred to pursue their cases.

Negative Proposals:

- Capping the state’s previously uncapped 62% reimbursement to New York City for preventive services that prevent child abuse, neglect and the need for foster care. In addition, the budget proposes to maintain the funding level at 62% rather than 65% for all counties.
- Failing to restore $3 million to restore 2 cohorts and failing to add funding for the final cohort for the Foster Youth Success Initiative, which provides support to foster youth who go to college.
- Failing to restore any of the $62 million cut to foster care and/or $19 million for special needs children cut in the SFY 17-18 budget, of which $64 million was cut from New York City’s child welfare agency.
- Failing to fund kinship guardianship assistance payments (KinGAP) by maintaining the State’s share in the capped foster care block grant rather than funding it in the same manner as adoption subsidy.
- Failing to restore the $2.2 million the legislature added for child advocacy centers.
- Failing to restore the $3 million the legislature added for safe harbor services for sexually exploited youth and thus failing to establish a reliable funding stream for sexually exploited youth for counties to invest in services and residential programs for this vulnerable population.
- Failing to increase funding levels for Healthy Families New York (still at $23.3 million) and Nurse-Family Partnership (still at $3 million), despite the fact that both programs are cost-effective and proven to produce good outcomes for families.

EARLY EDUCATION

Positive Proposals:

- Adding $15 million (as part of the Education Aid increase) to expand prekindergarten for 3,000 three and four year olds in high needs districts.
- Maintaining $5 million for QUALITYstarsNY, a statewide system to assess, improve and communicate the level of quality in early education settings.
- Restoring $7 million for child care to restore child care funding to SFY 2016-2017 level of $806 million.
Positive Proposals:

- Adding $50 million (for a total of $200 million) for the expansion of community schools. This funding is targeted to districts with failing schools and/or districts with growth in homeless students or English language learners. Increases the minimum community school funding amount from $10,000 to $75,000 so high-needs districts can apply the funding to wide range of activities.
- Creating the “No Student Goes Hungry” program, which includes:
  - Proposing Article VII legislation to ban “lunch shaming” programs such as alternative lunches for students with outstanding lunch bills, stigmatizing such students with wrist bands, requiring students with unpaid lunch bills to perform chores, etc.
  - Proposing Article VII legislation to improve communication with students’ parents regarding low school meal balances, information on enrolling in free meal programs, and the school’s unpaid meal policies.
  - Requiring schools with more than 70% of students eligible for free or reduced price lunch to provide breakfast after the bell. Adding $7 million capital and $5 million in reimbursement funding.
  - Adding $750,000 (for a total of $1.5 million) to connect schools with local farmer products.
  - Increasing reimbursement rate from $0.06 to $0.25 per meal for school districts that purchase at least 30% of food from New York farmers and growers.
- Adding $250,000 for enhanced mental health support grants for community schools.
- Proposing Article VII legislation to allow BOCES non-component school districts, including the “Big Five” city school districts, to participate in recovery high schools.
- Proposing Article VII legislation to enact the Dream Act.
- Proposing Article VII legislation to enable school districts to enter into agreements with third parties to operate school bus stop arm cameras and to increase fines for passing a stopped school bus.
- Proposing Article VII legislation to incentivize school districts to offer full-day kindergarten by providing school districts implementing full-day kindergarten in the 2018-2019 school year with additional aid in the 2019-2020 school year.

Proposals Requiring Further Assessment:

- Increasing School Aid by $769 million, or 3% (to $26.4 billion). This total requires further assessment, as it is likely not sufficient. Many of the funded components are positive proposals and include:
  - $338 million for additional Foundation Aid funding ($50 million of which is set aside for community schools as discussed in the positive proposal section)
  - $317 million for reimbursement for expense-based aids/other
  - $64 million for Fiscal Stabilization Fund
  - $9 million for Early College High Schools (creates 15 new early college high school programs in communities with low graduation or college access rates)
  - $6 million for Smart Start (to expand computer science and engineering education)
  - $5 million for Breakfast After the Bell
- $2.5 million to expand Advanced Placement access
- Adding $1 million over 4 years for Master Teachers Program
- Adding $1.5 million over 3 years for gang prevention education programs
- The remaining components include $15 million for pre-kindergarten, $10 million for the Empire State after school program, both of which are discussed in other sections of the summary.
- Proposing to cap school district spending in major expense-based aid categories (such as construction and transportation) to 2% beginning in the 2019-20 school year.

HEALTH AND MENTAL HEALTH

Positive Proposals:
- Including a fiscally neutral package or Medicaid Reform initiatives including a package that invests in the first 1,000 days of childhood development.
- Adding $237 million (total of $262 million) to support a 6.5% salary increase for direct care professionals (3.25% in January 2018 and 3.25% in April 2018) and an April 2018 3.25% for clinical workers employed by nonprofits contracting with OPWDD, OMH and OASAS.
- Adding $6.6 million to fund minimum wage increases for staff associated with OMH providers.
- Creating a new $50 million Mental Health Facilities Capital Improvement Fund.

Proposals Requiring Further Assessment:
- Proposing an additional $425 million capital investment in the Health Care Facility Fund, of which $60 million would be reserved for community based providers with up to $20 million of that funding for the expansion of assisted living program beds.

Negative Proposals:
- Discontinuing the Human Services COLA (saving $19.9 million in FY2019 and $45.4 million in FY20).
- Consolidating 30 public health programs into four pools, and cutting $9.2 million.
- Proposing Article VII legislation to reform screening, assessment and reimbursement processes for Early Intervention, saving the state $3.2 million in FY19 and $11.9 million in FY20.
- Proposing Article VII legislation that would enable the state to make programmatic changes to the Children’s Health Insurance Program (CHIP) if Congress reduces or eliminates funding.
- Failing to extend the social work licensing exemption, while grandfathering in existing workforce.
HOUSING AND HOMELESSNESS

Positive Proposals:
• Continuing the $20 billion 5-year investment in affordable housing and supportive housing.

Proposals Requiring Further Assessment:
• Requiring social service districts to create comprehensive homeless services plans related to street outreach and to enable OTDA to withhold funding for districts that fail to implement and effective outreach program.

Negative Proposal:
• Failing to add funding for any rental assistance program that would help the homeless (such as Home Stability support, an increase in the shelter allowance, and/or additional funding for NYC’s LINC rental assistance programs).

JUVENILE JUSTICE

Positive Proposal:
• Adding $100 million in a separate raise the age appropriation to support a continuum of services including diversion and placement for localities.
• Proposing Article VII language to enable the state to close the Ella McQueen Reception Center, which would allow New York City to use the Brooklyn facility as part of its Raise the Age implementation.
• Proposing Article VII legislation to reauthorize Close to Home (for five years).

Negative Proposal:
• Cutting all funding ($41.4 million) for New York City’s Close to Home initiative.

JUSTICE

Positive Proposals:
• Proposing Article VII legislation aimed at reducing the number of people incarcerated pending trial through speedy trial reform, bail reform and discovery reform.
YOUTH SERVICES

Positive proposals:

- Adding $4 million (for a total of $40 million) for the Summer Youth Employment Program (SYEP), which will address the minimum wage increase.
- Adding $10 million for 6,250 new after-school program slots in Empire State After-School Program, a portion of which will be targeted towards districts with high rates of homelessness.
- Increasing the tax credit for businesses that employ youth through the New York Youth Jobs Program from $500 to $750 per month for up to six months, and from $2,000 to $3,000 for each youth who is employed beyond six months with maximum credit up to $7,500.

Negative Proposals:

- Failing to restore the $2.5 million the legislature added to Advantage After School program.
- Failing to restore the $1.5 million the legislature added to the Youth Development Program.
- Failing to increase funding for Runway and Homeless Youth despite passing legislation last year to increase both the number of days youth can remain in RHY facilities and the upper age (from 21 to 24) that youth can be housed in RHY facilities.